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MEMO DATED JUNE 1, 2004](#)

AGN. NO. _____

MOTION BY SUPERVISOR YVONNE B. BURKE

June 1, 2004

On January 30th 2004, President Bush signed his fiscal year 2005 Budget Proposal, which includes funding for the Department of Housing and Urban Development (HUD). The proposed budget would cut \$1.9 billion from HUD's Housing Choice Voucher Program (HCV), which is administered by the Housing Authority of the County of Los Angeles.

The HCV program is the federal government's major strategy for assisting low- and very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. The program increases affordable housing choices for low- and very low-income families by allowing participants to find their own housing, including single-family homes, townhouses and apartments.

The proposed budget cut to the HCV program will drastically affect all 20,271 families currently on the program, with the most severe effects on the very low-income households that currently receive housing assistance through the Housing Authority.

-M-O-R-E-

MOTION

MOLINA	_____
BURKE	_____
YAROSLAVSKY	_____
ANTONOVICH	_____
KNABE	_____

The President's Budget Proposal will cause:

- the possible cancellation of housing assistance for many families receiving assistance through the HCV program,
- the Housing Authority to select low-income families over very low-income families for assistance, because the very low-income families require a higher subsidy, which the Housing Authority will not be able to provide due to the large funding cuts,
- higher rent payments by families remaining in the HCV program - families who can least afford an increase,
- private landlords to be less willing to participate in the program if subsidies are eliminated, reduced, or unreliable, thereby severely reducing the amount of affordable housing in Los Angeles County, and
- fewer vouchers available for families who have been waiting for years to receive needed housing assistance.

I, THEREFORE, MOVE THAT THE BOARD OF SUPERVISORS:

1. Oppose the President's Proposed Budget pertaining to the HCV program, and any other efforts that would weaken the Housing Authority's ability to effectively administer the HCV program.

-M-O-R-E-

2. Instruct the County's Legislative Advocates to actively work for the defeat of the President's fiscal year 2005 Budget proposal as it pertains to the HCV program.
3. Instruct the Executive Officer of the Board to send a five-signature letter to the California Delegation, with copies to members of the Los Angeles Delegation, opposing the President's fiscal year 2005 Budget proposal as it pertains to the HCV program.

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County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN
Chief Administrative Officer

June 1, 2004

To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Yvonne Brathwaite Burke
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

MOTION TO OPPOSE THE PRESIDENT'S BUDGET PROPOSAL ON THE HOUSING CHOICE VOUCHER PROGRAM (ITEM NO. 2, AGENDA OF JUNE 1, 2004)

Item No. 2 on the June 1, 2004 Agenda is a motion by Supervisor Burke to oppose the President's budget proposal on the House Choice Voucher (HCV) program and any other efforts that would weaken the Housing Authority's ability to effectively administer the program, instruct the County's Washington advocates to work for the defeat of the proposal, and send a five-signature letter to the California Congressional delegation opposing the proposal.

The President's Federal Fiscal Year (FFY) 2005 Budget includes a proposal to convert the existing Section 8 Housing Choice Voucher program, which provides rental housing subsidies to low income families, into a new "Flexible Voucher" program. While the HCV program is a unit-based funded program under which public housing authorities (PHAs), such as the County's, receive allocations to fund a specified number of housing units, the new program would be "dollar-based" funded. That is, PHAs would receive a fixed allocation with greater flexibility over the use of funds.

The County's Housing Authority, the National Association of Housing and Redevelopment Officials (NAHRO), and many other housing organizations oppose this budget proposal because it would provide \$1.9 billion less than the amount needed to fully fund all current housing vouchers in FFY 2005, according to NAHRO estimates. The funding shortfall would grow over time if program funding is fixed at the current level and rental housing costs continue to rise. They believe that the greater flexibility under the Flexible Voucher program, therefore, would mean little more than greater flexibility on how to cut expenditures. For example, under the Administration's proposal, instead of reducing the

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number of housing units receiving subsidies, PHAs would be allowed to provide fewer vouchers to very low income families and reduce the size of rental subsidies relative to tenants' incomes.

The Federal Legislative Agenda adopted by your Board on January 20, 2004 includes a funding priority to support increased funding for public housing and Section 8 programs, including the HCV program. The motion's recommendation to oppose the President's budget proposal which would cut HCV funding, therefore, is consistent with current Board policy. The Congress has not yet scheduled any action on the FFY 2005 appropriations bill which funds Department of Housing and Urban Development programs.

DEJ:GK
MAL:MT:ib

c: Executive Officer, Board of Supervisors
County Counsel
Community Development Commission/Housing Authority